

**LOUISIANA TECH UNIVERSITY FOUNDATION, INC.**

**RUSTON, LOUISIANA**

**JUNE 30, 2006 AND 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-21-07

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

RUSTON, LOUISIANA

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**HEARD  
McELROY  
& VESTAL**  
LLP  
CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET  
15TH FLOOR  
SHREVEPORT, LA 71101  
318 429-1525  
318 429-2070 FAX  
POST OFFICE BOX 1607  
SHREVEPORT, LA  
71165-1607

**PARTNERS**  
SPENCER BERNARD, JR., CPA  
H.Q. GAHAGAN, JR., CPA, APC  
GERALD W. HEDGCOCK, JR., CPA, APC  
TIM B. NIELSEN, CPA, APC  
JOHN W. DEAN, CPA, APC  
MARK D. ELDREDGE, CPA  
ROBERT L. DEAN, CPA  
STEPHEN W. CRAIG, CPA

ROY E. PRESTWOOD, CPA  
A. D. JOHNSON, JR., CPA  
RON W. STEWART, CPA, APC  
BENJAMIN C. WOODS, CPA/ABV, CVA  
  
**OF COUNSEL**  
GILBERT R. SHANLEY, JR., CPA  
C. CODY WHITE, JR., CPA, APC  
J. PETER GAFFNEY, CPA, APC

August 3, 2006

The Board of Directors  
Louisiana Tech University Foundation, Inc.  
Ruston, Louisiana

Independent Auditors' Report

We have audited the accompanying statements of financial position of Louisiana Tech University Foundation, Inc. (a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Tech University Foundation, Inc. as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2006, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Foundation taken as a whole. The supplementary information included on Pages 13-33 is presented for purposes of additional analysis and is not a required part of the 2006 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2006 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2006 basic financial statements taken as a whole.

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www.hmvcpa.com WEB ADDRESS

*Heard, McElroy & Vestal, LLP*

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2006 AND 2005

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	6,248,983	3,690,687
Accounts receivable-Notes 10 and 13	985,701	996,718
Contributions receivable, net-Note 4	334,893	247,002
Accrued interest receivable	26,429	26,574
Investments-Note 2	18,465,519	16,546,352
Fixed assets, net-Notes 3, 6 and 8	5,892,763	4,646,488
Other assets	79,968	74,901
Restricted assets-investments-Note 2	<u>27,046,664</u>	<u>24,455,148</u>
Total assets	<u>59,080,920</u>	<u>50,683,870</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable	1,461,080	462,884
Accrued interest payable	19,558	17,952
Annuities liability-Note 12	157,236	143,777
Deferred revenue-Notes 10 and 13	602,839	711,672
Deferred compensation-Note 7	90,645	28,633
Notes payable-Note 5	1,125,000	1,125,000
Bonds payable-Notes 6 and 8	1,875,412	2,254,899
Due to Louisiana Tech University-Note 9	<u>26,564,273</u>	<u>24,054,255</u>
Total liabilities	31,896,043	28,799,072
<u>Net assets:</u>		
Unrestricted:		
Undesignated	1,404,335	3,072,212
Invested in capital assets, net of related debt	<u>2,892,351</u>	<u>1,266,589</u>
	4,296,686	4,338,801
Temporarily restricted-for specific purposes	9,687,580	5,127,252
Permanently restricted-endowment	<u>13,200,611</u>	<u>12,418,745</u>
Total net assets	<u>27,184,877</u>	<u>21,884,798</u>
Total liabilities and net assets	<u>59,080,920</u>	<u>50,683,870</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenues, gains and other support:</u>				
Contributions	197,231	5,502,668	1,929,895	7,629,794
Contributed services	581,932	-	-	581,932
Interest and dividends income	38,258	599,026	89	637,373
Lease income	151,228	-	-	151,228
Service charges	616,955	-	-	616,955
Realized and unrealized gains (losses) on investments, net	(93,885)	427,402	(3,634)	329,883
Other	<u>85,827</u>	<u>2,145,121</u>	<u>14,739</u>	<u>2,245,687</u>
	1,577,546	8,674,217	1,941,089	12,192,852
Net assets released from restrictions	<u>4,190,723</u>	<u>(4,113,889)</u>	<u>(76,834)</u>	<u>-</u>
Total revenues, gains and other support	5,768,269	4,560,328	1,864,255	12,192,852
<u>Expenses:</u>				
Instructional support	678,389	-	-	678,389
Academic support	10,286	-	-	10,286
Research	11,977	-	-	11,977
Institutional support	1,271,971	-	-	1,271,971
Student financial aid	393,367	-	-	393,367
Student services	57,772	-	-	57,772
Auxiliary	1,350,011	-	-	1,350,011
General administrative services	1,087,724	-	-	1,087,724
Fundraising	<u>948,887</u>	<u>-</u>	<u>-</u>	<u>948,887</u>
Total expenses	5,810,384	-	-	5,810,384
Assets dedicated to Louisiana Tech University, net	<u>-</u>	<u>-</u>	<u>(1,082,389)</u>	<u>(1,082,389)</u>
Change in net assets	(42,115)	4,560,328	781,866	5,300,079
<u>Net assets, beginning of year</u>	<u>4,338,801</u>	<u>5,127,252</u>	<u>12,418,745</u>	<u>21,884,798</u>
<u>Net assets-end of year</u>	<u>4,296,686</u>	<u>9,687,580</u>	<u>13,200,611</u>	<u>27,184,877</u>

See accompanying notes to financial statements.

2005			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
527,279	3,324,391	894,590	4,746,260
602,204	-	-	602,204
76,658	396,165	91	472,914
-	189,556	-	189,556
663,490	-	-	663,490
(41,596)	365,274	11,040	334,718
<u>88,351</u>	<u>767,427</u>	<u>-</u>	<u>855,778</u>
1,916,386	5,042,813	905,721	7,864,920
<u>4,148,301</u>	<u>(4,092,123)</u>	<u>(56,178)</u>	<u>-</u>
6,064,687	950,690	849,543	7,864,920
391,300	-	-	391,300
32,944	-	-	32,944
14,155	-	-	14,155
2,044,235	-	-	2,044,235
144,159	-	-	144,159
67,710	-	-	67,710
934,574	-	-	934,574
893,787	-	-	893,787
<u>909,931</u>	<u>-</u>	<u>-</u>	<u>909,931</u>
5,432,795	-	-	5,432,795
-	(741)	-	(741)
<u>631,892</u>	<u>949,949</u>	<u>849,543</u>	<u>2,431,384</u>
<u>3,706,909</u>	<u>4,177,303</u>	<u>11,569,202</u>	<u>19,453,414</u>
<u>4,338,801</u>	<u>5,127,252</u>	<u>12,418,745</u>	<u>21,884,798</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	5,300,079	2,431,384
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	934,475	734,440
Net unrealized (gain) on long-term investments	(68,449)	(135,138)
Realized (gain) on sale of investments	(261,433)	(199,580)
Donated equipment and works of art included in contributions	(1,850,000)	(377,900)
<i>(Increase) decrease in assets:</i>		
Accounts receivable	11,017	(710,504)
Contributions receivable, net	(87,891)	(21,239)
Accrued interest receivable	145	(5,380)
Other assets	(5,067)	101,582
<i>Increase (decrease) in liabilities:</i>		
Accounts payable	78,196	325,998
Accrued interest payable	1,606	(1,856)
Annuities liability	13,459	(11,904)
Deferred revenue	(108,833)	638,339
Deferred compensation	62,012	(691,833)
Contributions restricted for long-term investment	<u>(1,929,895)</u>	<u>(894,590)</u>
Net cash provided by operating activities	2,089,421	1,181,819
<b><u>Cash flows from investing activities:</u></b>		
Purchases of fixed assets	(509,149)	(216,498)
Purchases of investments	(4,908,409)	(3,750,532)
Proceeds on sale of investments	1,947,381	3,256,642
Increase in due to Louisiana Tech University	<u>1,468,644</u>	<u>111,788</u>
Net cash (used) by investing activities	(2,001,533)	(598,600)
<b><u>Cash flows from financing activities:</u></b>		
Contributions restricted for investment in endowment	1,929,895	894,590
Payments of notes payable	-	(75,000)
Payments of bonds payable	(379,487)	(358,605)
Increase in payable-land purchase	<u>920,000</u>	<u>-</u>
Net cash provided by financing activities	<u>2,470,408</u>	<u>460,985</u>
<b><u>Increase in cash and cash equivalents</u></b>	2,558,296	1,044,204
<b><u>Cash and cash equivalents-beginning of year</u></b>	<u>3,690,687</u>	<u>2,646,483</u>
<b><u>Cash and cash equivalents-end of year</u></b>	<u><u>6,248,983</u></u>	<u><u>3,690,687</u></u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

**1. Organization and Summary of Significant Accounting Policies**

**a. *Organization***

The Louisiana Tech University Foundation, Inc. (the Foundation) was organized to solicit, receive, hold, invest and transfer funds for the benefit of Louisiana Tech University (Louisiana Tech University). Additionally, the Foundation assists Louisiana Tech University in meeting the criteria for accreditation as outlined by the Commission on Colleges for the Southern Association of Colleges and Schools. Louisiana Tech University and the Foundation are also in a management agreement related to endowed chairs and professorships. This agreement is in compliance with Board of Regents policy and allows the Foundation to manage funds on behalf of Louisiana Tech University. The Foundation is a separate legal entity and not included as part of the reporting entity of Louisiana Tech University.

**b. *Basis of Financial Statements***

The Foundation maintains its accounts in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. However, these assets may be designated by management for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or passage of time. This classification includes gifts, annuities and unconditional promises to give for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all of, or part of, the income earned on the related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.



1. **Organization and Summary of Significant Accounting Policies** (Continued)

c. ***Net Assets Released from Restrictions***

Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

d. ***Contributions***

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

e. ***Investment Income***

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- increases in unrestricted net assets in all other cases.

f. ***Temporarily Restricted Net Assets***

With respect to temporarily restricted net assets, the Foundation has adopted the following accounting policies.

**Contributions with Restrictions Met in the Same Year** - Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of temporarily restricted net assets, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

**Release of Restrictions on Net Assets for Acquisition of Land, Building and Equipment** - Contributions of land, building and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, building and equipment without such donor stipulations concerning the use of such long-lived assets are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

g. ***Cash and Cash Equivalents***

Cash and cash equivalents principally include cash and money market investments not held by trustees. For purposes of the cash flow statement, all highly liquid instruments with original maturities of three months or less are considered cash equivalents.

## 1. Organization and Summary of Significant Accounting Policies (Continued)

### *h. In-Kind Gifts*

Gifts of investments, real estate, and other property contributed to the Foundation are recorded at estimated fair value at date of contribution.

### *I. Accounts Receivable*

Accounts receivable consists of amounts due from outside parties. Management evaluates the collectibility and aging of those accounts receivable in determining the need for an allowance for doubtful accounts.

### *j. Investments*

Investments in marketable securities with readily determinable fair values are stated at fair value. Realized gains or losses on sales of investment securities are based upon the cost of the specific security sold. Unrealized gains and losses are included in the change in net assets.

### *k. Depreciation*

Depreciation is provided on the straight-line method based on the estimated useful lives of the depreciable assets which range from two to thirty years.

### *l. Tax Status*

The Foundation is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made; however, should the Foundation engage in activities unrelated to its exempt purpose, taxable income could result. The Foundation had no material unrelated business income for the fiscal years audited.

### *m. Funds Functioning as Endowment*

The Foundation has designated funds for which the income earned is designated for specific uses. Because there is no donor-imposed restriction, these funds are classified as unrestricted net assets; however, the Foundation restricts the use of the funds in the same manner as a donor would by creating an endowment.

### *n. Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

## 2. Investments

Fair values and unrealized appreciation of investments at June 30, 2006 and 2005 are summarized as follows:

	2006			2005		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/Depreciation</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/Depreciation</u>
Held by investment custodians:						
Cash and cash equivalents	4,205,112	4,205,112	-	3,315,341	3,315,341	-
Certificates of deposit	285,000	285,000	-	285,000	285,000	-
Mutual funds	10,122,013	11,211,907	1,089,894	9,844,234	11,039,127	1,194,893

## 2. Investments (Continued)

	2006			2005		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/Depreciation</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/Depreciation</u>
Government obligations and corporate bonds	13,968,121	13,612,542	(355,579)	12,861,034	13,024,593	163,559
Common stocks	11,737,102	12,841,897	1,104,795	10,480,553	11,170,409	689,856
Real estate held by the Foundation	<u>3,191,636</u>	<u>3,290,363</u>	<u>98,727</u>	<u>2,016,874</u>	<u>2,115,607</u>	<u>98,733</u>
	43,508,984	45,446,821	1,937,837	38,803,036	40,950,077	2,147,041
Accrued interest included in restricted investments	<u>65,362</u>	<u>65,362</u>	<u>-</u>	<u>51,423</u>	<u>51,423</u>	<u>-</u>
	<u>43,574,346</u>	<u>45,512,183</u>	<u>1,937,837</u>	<u>38,854,459</u>	<u>41,001,500</u>	<u>2,147,041</u>
Included on the Statement of Financial Position:						
Investments	17,490,626	18,465,519	974,893	15,639,937	16,546,352	906,415
Restricted assets-investments	<u>26,083,720</u>	<u>27,046,664</u>	<u>962,944</u>	<u>23,214,522</u>	<u>24,455,148</u>	<u>1,240,626</u>
	<u>43,574,346</u>	<u>45,512,183</u>	<u>1,937,837</u>	<u>38,854,459</u>	<u>41,001,500</u>	<u>2,147,041</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2006 and 2005:

	2006			2005		
	<u>Unrestricted</u>	<u>Temporarily and Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily and Permanently Restricted</u>	<u>Total</u>
Interest income	38,258	599,115	637,373	76,658	396,256	472,914
Net realized and unrealized gains	<u>(93,885)</u>	<u>423,768</u>	<u>329,883</u>	<u>(41,596)</u>	<u>376,314</u>	<u>334,718</u>
Total investment return	<u>(55,627)</u>	<u>1,022,883</u>	<u>967,256</u>	<u>35,062</u>	<u>772,570</u>	<u>807,632</u>

Of the bank balances, those funds not covered by federal deposit insurance were covered by collateral held by the pledging banks' trust department.

## 3. Fixed Assets

A summary of the fixed assets at June 30, 2006 and 2005 follows:

	<u>Depreciable Lives</u>	<u>2006</u>	<u>2005</u>
Automobiles	2-3	121,426	134,133
Furniture, fixtures and equipment	3-10	3,646,241	1,517,469
Engineering equipment	3-10	666,682	666,682
Real estate and other	-	136,557	151,438
* Leasehold improvements	30	<u>4,161,554</u>	<u>4,161,554</u>
		8,732,460	6,631,276
Less-accumulated depreciation		<u>(2,839,697)</u>	<u>(1,984,788)</u>
		<u>5,892,763</u>	<u>4,646,488</u>

Depreciation of \$255,810 and \$55,775 was recorded for the years ended June 30, 2006 and 2005, respectively.

\* Leasehold improvements consists of the renovations to Tolliver Hall and the Ropp Center. Renovations were completed on April 1, 2004, and will be donated to Louisiana Tech University at the time the bonds are paid. Refer to Notes 6 and 8. Amortization of leasehold improvements was \$678,665 for the years ended June 30, 2006 and 2005.

4. **Contributions Receivable**

Contributions receivable, net, is summarized as follows as of June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Unconditional pledges expected to be collected in:		
Less than one year	118,408	157,123
One year to five years	236,292	70,505
More than five years	<u>12,500</u>	<u>32,500</u>
	367,200	260,128
 <u>Less</u> -discount on future contributions receivable (discount rate of 5.15% and 3.04% in 2006 and 2005, respectively)	 (25,563)	 (3,344)
 <u>Less</u> -allowance for uncollectible contributions receivable	 <u>(6,744)</u>	 <u>(9,782)</u>
Contributions receivable, net	<u>334,893</u>	<u>247,002</u>

5. **Notes Payable**

Notes payable consist of the following at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Notes payable to bank at floating rate, secured by depository accounts, due March 2018	<u>1,125,000</u>	<u>1,125,000</u>

Two notes payable to a bank originally issued for \$750,000 each were issued to fund the improvements to the Louisiana Tech University Athletic Fieldhouse. These notes were refinanced in March of 2002, and again in March 2006. The interest rate for the new note is floating at 1% under the bank's Financial Corporation Commercial Base Rate – Daily (the Index). The rate for the note was 6.25% at June 30, 2006.

Under the terms of the note, the Foundation is required to comply with restrictive covenants related to its financial records, financial statements, insurance and additional information.

Aggregate principal payments required on the note payable are as follows:

Year Ending June 30:

2007	75,000
2008	75,000
2009	75,000
2010	75,000
2011	75,000
2012 and thereafter	<u>750,000</u>
	<u>1,125,000</u>

Interest paid for the years ended June 30, 2006 and 2005 was \$71,828 and \$55,643, respectively.

6. **Bonds Payable**

Bonds payable at June 30, 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Revenue bonds payable at 5.7%, due in quarterly installments through August 15, 2010	<u>1,875,412</u>	<u>2,254,899</u>

In August 2000, the Foundation issued \$3,791,183 in revenue bonds to fund renovations to Tolliver Hall and the Ropp Center as required under the lease agreement with Aramark described in Note 8. The bonds were issued with a 10-year term at an interest rate of 5.7% and with payments of \$125,000 due quarterly.

Maturities of the revenue bonds, by year, at June 30, 2006 are as follows:

Year Ending June 30:

2007	401,584
2008	424,969
2009	449,714
2010	475,901
2011	<u>123,244</u>
	<u>1,875,412</u>

Interest paid for the years ended June 30, 2006 and 2005 on the revenue bonds was \$120,513 and \$141,395, respectively. Amounts capitalized related to this interest for the years ended June 30, 2006 and 2005, were \$-0-.

7. **Deferred Compensation**

The Foundation provides additional compensation to the President of Louisiana Tech University. Pursuant to an agreement between the Foundation and the President, such compensation is being deferred. The deferred compensation is deposited by the Foundation in a trust for the President's benefit. At January 1, 2005, the balance of the deferred compensation was paid to the President according to the terms of the agreement, and a new agreement became effective with generally the same terms as the old agreement. Total deferred compensation at June 30, 2006 and 2005 was \$90,645 and \$28,633, respectively.

8. **Lease Agreement**

During fiscal 2000, Louisiana Tech University entered into a lease agreement with Aramark for Tolliver Hall and the Ropp Center in connection with providing food services on campus. As a condition of this agreement, Louisiana Tech University required Aramark to enter into a sublease for the facilities with the Foundation. As a result, the Foundation entered into an agreement with Aramark to lease Tolliver Hall and the Ropp Center from Aramark for the purpose of renovating the structures. Upon completion, the sublease was terminated, and the improvements will be gifted back to Louisiana Tech University by the Foundation once the bonds (refer to Note 6) are paid in full. Notwithstanding the term of the lease agreement between the Foundation and Aramark, Aramark will pay the Foundation \$500,000 per year for ten years to defray the costs of constructing the improvements. No lease payments are required to be paid by the Foundation, but the Foundation was required to construct the improvements of Tolliver Hall and the Ropp Center in accordance with building standards satisfactory to Aramark and Louisiana Tech University. For the years ended June 30, 2006 and 2005, the annual payments of \$500,000 have been recorded as temporarily restricted other revenue. Future minimum payments from Aramark are \$500,000 annually for June 30, 2007 through June 30, 2009.

**9. Transactions with Louisiana Tech University**

Louisiana Tech University provides to the Foundation, without cost, services for the administration of the Foundation in the form of personnel. In addition, Louisiana Tech University provides, without cost, certain other operating services associated with the Foundation. These services are valued at their actual cost to Louisiana Tech University. For the year ended June 30, 2006, contributed personnel costs and operating services were determined to be \$579,529 and \$2,403, respectively. For the year ended June 30, 2005, contributed personnel costs and operating services were determined to be \$600,073 and \$2,131, respectively. The amounts for these services have been reflected as contributed services revenue and corresponding general administrative services and fundraising expenses in the accompanying financial statements.

For the years ended June 30, 2006 and 2005, expenses totaling approximately \$1,997,612 and \$2,209,496, respectively, were paid directly to or for the benefit of Louisiana Tech University.

Funds administered by the Foundation on behalf of Louisiana Tech University are not commingled with funds belonging to the Foundation. Classified as amounts due to Louisiana Tech University at June 30, 2006 and 2005 is \$26,564,273 and \$24,054,255, respectively, related to certain endowed chairs and professorships matched by the State of Louisiana. Initially, the donor portion of these funds is recorded as contributions to the Foundation. Once the state matching is received, the donor portion is deducted from the permanently restricted, temporarily restricted, and unrestricted net assets of the Foundation and reflected as due to Louisiana Tech University.

The Foundation has leases with Louisiana Tech University to provide parking for the campus. For the years ended June 30, 2006 and 2005, total lease income of \$151,228 and \$189,556 was received by the Foundation. Future minimum payments due from Louisiana Tech University are as follows:

Year Ending June 30:

2007	150,711
2008	66,349
2009	-
2010	-
2011	-
Thereafter	-

Various other services and facilities are contributed to the Foundation, the values of which are not readily determinable and, therefore, are not reflected as contributions or expenses in the accompanying financial statements.

**10. Deferred Revenue**

During fiscal 2000, the Foundation entered into an agreement with MBNA America Bank, N.A. (MBNA) for MBNA to provide financial service products to Louisiana Tech University undergraduate students, graduate students, alumni, and/or other potential participants. This agreement expired on April 30, 2005, and a new agreement became effective. Per the terms of the new agreement, MBNA guarantees royalties paid to the Foundation will be equal to or greater than \$600,000 by the end of the full term of the new agreement expiring on April 30, 2012.

A payment of \$100,000 was received under the agreement for the fiscal year ended June 30, 2005, and \$83,333 was received for the fiscal year ended June 30, 2006.

**10. Deferred Revenue (Continued)**

Unrestricted revenue of \$85,714 and \$87,619 was recognized for the fiscal years ended June 30, 2006 and 2005. At June 30, 2006 and 2005, accounts receivable totaling \$416,667 and \$500,000, respectively, and deferred revenue of \$500,000 and \$585,714, respectively, were recorded related to this agreement.

**11. Commitments**

As of June 30, 2006 and 2005, there was approximately \$184,567 and \$80,314, respectively, in awarded but unpaid scholarships, which were funded subsequent to year-end.

**12. Annuities Liability**

The Foundation receives donations through split-interest agreements with contributors. These split-interest agreements specify that the donation is made in return for an individual or joint annuity for the remaining lives of the contributors. The difference between the fair market value of the assets received and liability under the annuity is recognized as revenue in the year received. Upon the death of the contributor, the remaining liability, if any, is recognized as revenue. The Foundation has received four donations under such agreements that result in an annuities liability totaling \$157,236 and \$143,777 at June 30, 2006 and 2005, respectively. The liabilities were calculated using discount rates of 8.0%, 4.9%, 5.0%, and 6.0%.

**13. Lease Purchase**

During fiscal 2005, the Foundation entered into an agreement to lease property located at 509 West Alabama Avenue, Ruston, Louisiana, (library building) with option to purchase with the Board of Supervisors for the University of Louisiana System for the benefit of Louisiana Tech University. According to the terms of the lease purchase, the Board initially paid \$50,000 in fiscal year 2005, with payments of \$50,692 due annually for nine years beginning February 1, 2006. At June 30, 2006 and 2005, accounts receivable totaling \$405,537 and \$456,229 and deferred revenue totaling \$102,839 and \$125,958 were recorded related to this agreement.

**14. Subsequent Event**

On June 22, 2006, the Foundation entered into an agreement to buy property in Ruston, Louisiana for a purchase price of \$720,000. The sum of \$700,000 was paid by the Foundation on July 5, 2006, with the balance of \$20,000 due at the execution of the cash sale deed to be on or before March 31, 2007.

SUPPLEMENTARY INFORMATION



LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
<b>Cash and cash equivalents</b>			
JPMorgan US Treasury Plus Money	746,787	746,787	746,787
Cash	237	237	237
Federated Govt Obl IS Fund 5	284,876	284,876	284,876
PIF Temp Dollar Fd #20	180,046	180,046	180,046
PIF Temp Dollar Fd #20	256,579	256,579	256,579
PIF Temp Dollar Fd #20	1,331	1,331	1,331
PIF Temp Dollar Fd #20	7,052	7,052	7,052
PIF Temp Dollar Fd #20	18,093	18,093	18,093
PIF Temp Dollar Fd #20	54,925	54,925	54,925
PIF Temp Dollar Fd #20	7,623	7,623	7,623
PIF Temp Dollar Fd #20	23,965	23,965	23,965
JPMorgan US Treas Plus MMKT Investor	1,817	1,817	1,817
PIF Temp Dollar Fd #20	408,398	408,392	408,392
PIF Temp Dollar Fd #20	383,883	383,883	383,883
Cash	733	733	733
Federated Govt Obl Fund 05	599,309	599,309	599,309
JPMorgan US Treas Plus MMKT	535,664	535,664	535,664
JPMorgan US Treas Plus MMKT	232,810	232,810	232,810
Edward Jones / Cash	1,016	1,016	1,016
Cash	28,496	28,496	28,496
Fed US Treas Cash Reserve Services Fd #632	28,315	28,315	28,315
JPM US Treas Plus MMKT Fd 3126	403,164	403,164	403,164
		4,205,112	4,205,112

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments

6/30/2006

Certificates of deposit

Description	Shares or Units	Cost Basis	Fair Value	
Gibbsland Bank CD #6154 3.250%, 12/01/06		10,000	10,000	6
Gibbsland Bank CD #6245 3.100%, 01/05/07		10,000	10,000	6
Gibbsland Bank CD #5282 4.00%, 10/08/06		100,000	100,000	7
Gibbsland Bank CD #6246 3.100%, 01/05/07		10,000	10,000	7
Gibbsland Bank CD #4974 3.550%, 06/15/07		25,000	25,000	7
Gibbsland Bank CD #6405 3.400%, 08/06/06		10,000	10,000	8
Gibbsland Bank CD #5440 3.150%, 08/14/06		10,000	10,000	8
Gibbsland Bank CD #6081 3.400%, 09/08/06		10,000	10,000	8
Gibbsland Bank CD #60153 4.50%, 02/08/07		15,000	15,000	8
Gibbsland Bank CD #4975 3.550%, 06/15/07		25,000	25,000	8
Gibbsland Bank, 3.55%, 03/26/2007		20,000	20,000	10
Gibbsland Bank, 4.00%, 05/30/2007		20,000	20,000	10
Gibbsland Bank, 4.00%, 05/31/2007		20,000	20,000	10
		<u>285,000</u>	<u>285,000</u>	

Mutual funds

American Cent Small Co	11696	100,000	118,246	2
Fidelity Adv Divers Intl Fund	7233	145,000	161,579	2
MFS Intl New Discovery Fund	2749	70,000	70,605	2
RMK Sel Mid Cap Growth Fd	13731	195,019	251,969	2
Loomis Sayles Bond Instl FDI# 1162	1526,718	20,000	20,824	3
PIMCO Commodity Real Return	5050,505	80,000	74,242	3
PIMCO Developing Local Markets #1872	4558,541	47,500	47,545	3
1st TrFour Corners #2	2000	35,012	35,700	3
MFS Charter Income Tr	5000	43,845	41,050	3
MFS Intermediate Income Trust	12000	76,774	73,080	3

# LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

## Schedule of Investments

6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
T Rowe Midcap Equity Growth	2045.109	32,149	53,357
UBS AG EAS	10000	100,000	96,990
Dodge & Cox International Stock Fund	2699.12	97,000	105,158
MFS Emerging Equity I Fund #885	3305.361	44,391	111,027
Templeton Inst Inc	3060.431	26,609	61,362
Templeton Institutional Foreign Equity	7649.297	118,000	182,742
JPMorgan Asia Equity Fund	47,347	1,143	1,145
JPMorgan Diversified Mid Cap Growth	137,362	3,488	3,545
JPMorgan Diversified Mid Cap Value	230,848	4,115	3,657
JPMorgan Emerging Mkts Equity FD	175,875	2,051	2,598
JPMorgan International Equity Fund	133,162	4,317	4,679
JPMorgan International Equity Index	95,773	1,967	2,363
JPMorgan Intrepid America Fund	323,327	7,794	8,190
JPMorgan Intrepid Intl FD Select CL	114,781	2,283	2,344
JPMorgan Japan Fd Select CI	244,834	2,512	2,404
JPMorgan Large Cap Growth Fund	503,279	7,580	7,952
JPMorgan Large Cap Value Fund	500,665	8,033	8,221
JPMorgan Multi-Cap Market Neutral Fd	516,181	5,628	5,699
JPMorgan Small Cap Growth Fund	256,510	3,210	3,132
JPMorgan Small Cap Value Fund	130,973	3,312	3,215
JPMorgan US Equity Fund	403,145	4,356	4,539
JPMorgan US Real Estate Fund	128,744	2,375	2,848
JPMorgan Core Bond	430,516	4,654	4,443
JPMorgan Core Plus Bond	705,612	5,570	5,320

## LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

## Schedule of Investments

6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
JPMorgan Government Bond	359,099	3,719	3,530
JPMorgan High Yield Bond Fund Select	220,120	1,827	1,801
JPMorgan Intermediate Bond	353,069	3,734	3,573
JPMorgan Short Duration Bond Fund	174,665	1,827	1,818
JPMorgan Ultra Short Term Bond Fund	187,001	1,827	1,812
Leontis Sayles Bond Instl FD#1162	11,961,722	150,000	163,158
PIMCO Commodity Real Return	7,018,847	110,000	103,177
PIMCO Developing Local Markets #1872	9,117,083	95,000	95,091
1st Tr/ Four Corners #2	3,000,000	53,071	53,550
MFS Intermediate Income Trust	15,000,000	99,383	91,350
Harbor Intl Growth Instl	4,019,293	50,000	47,187
T Rowe Midcap Equity Growth FD #116	2,684,564	60,000	70,040
Thornburg Investment Income Builder	4,178,277	70,613	79,554
UBS AG EAS Due 2/28/07	25,000,000	250,000	255,125
UBS EAS Linked to S&P 500 Index 8/31/07	10,000,000	100,000	94,660
Dodge & Cox International Stock Fund	4,741,798	154,000	184,740
MFS Emerging Equity I Fd#885	5,689,900	120,000	191,124
Templeton Institutional Foreign Equity	10,416,667	180,000	248,854
American Cent Small Co Fund Inv 985	20,930,233	180,000	211,605
Fidelity Adv Divers Intl Fund 731 A	19,920,950	350,000	445,034
MFS Intl New Discovery Fund CI A 074	5,732,152	110,000	147,201
RMK Sel Mid Cap Growth Fd A (01AA)	24,819,677	400,000	455,441
JPMorgan Equity Index	39,859,658	1,118,462	1,151,944
JPMorgan International Equity Fund	35,182,741	1,067,250	1,236,322
JPMorgan Intrepid America Fund	116,119,394	2,796,155	2,941,304
JP Morgan Intrepid Mid Cap Fd	50,161,700	930,346	890,370
JPMorgan Small Cap Growth Fd Instl	16,720,792	129,252	204,495
JPMorgan Small Cap Value Fund	8,732,750	190,199	214,389
Blackrock Low Duration Instl	1,620,122	15,942	15,893
Vanguard Short Term Corporate	1,519,722	16,012	15,851
Oakmark Equity & Income Fd	392,000	7,707	10,144
		<u>10,122,013</u>	<u>11,211,907</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
<b>Government obligations and corporate bonds</b>			
U.S. Treasury Notes 3.50%, 11/15/06	35,000	55,220	54,650
U.S. Treasury Notes 4.75%, 11/15/08	95,000	98,238	94,150
U.S. Treasury Notes 3.625%, 7/15/09	5,000	4,939	4,791
U.S. Treasury Notes 5.75%, 08/15/10	15,000	15,414	15,369
U.S. Treasury Notes 4.125%, 8/15/10	10,000	9,925	9,641
U.S. Treasury Notes 5.00%, 08/15/11	40,000	42,944	39,880
U.S. Treasury Notes 4.25%, 08/15/13	45,000	45,669	42,694
U.S. Treasury Bonds 7.25%, 05/15/16	75,000	84,924	86,841
U.S. Treasury Bonds 6.25%, 08/15/23	20,000	21,408	22,058
U.S. Treasury Bonds 6.125%, 11/15/27	45,000	53,197	49,721
FHLB 6.63%, 07/02/07	100,000	99,876	100,875
FNMA 6.25%, 01/25/09	3,105	3,164	3,099
GNMA 11.00%, 03/15/10	300	300	321
FNMA 6.625%, 11/15/10	45,000	46,672	46,983
FNMA 7.00%, 07/01/12	6,902	6,898	7,049
GNMA 6.50%, 11/15/12	22,902	22,928	23,267
FNMA 4.625%, 10/15/13	25,000	23,984	23,688
FHLMC 7.50%, 09/01/15	3,290	3,340	3,427
FHLMC 7.50%, 11/01/15	6,834	6,993	7,118
FHLMC 5.50%, 09/01/17	23,357	23,948	22,957
FNMA 5.00%, 01/01/18	36,058	36,910	34,807
FHLMC 5.00%, 01/15/19	30,000	29,942	28,412
FNMA 5.00%, 05/01/19	42,273	42,207	40,750
FNMA 5.00%, 10/01/19	50,652	50,725	48,858
FHLMC 4.50%, 03/01/20	30,491	30,269	28,786
FNMA 5.00%, 07/01/05	32,174	31,987	30,996
FHLMC 6.00%, 04/15/23	8,764	9,077	8,760
GNMA 7.00%, 06/15/28	13,779	14,255	13,763
FHLMC 6.10%, 10/15/23	9,425	9,557	9,724
GNMA 7.00%, 04/01/31	5,780	5,881	5,982
FNMA 7.00%, 04/15/31	20,422	20,688	21,070
FHLMC 6.50%, 09/01/31	4,063	4,084	4,103
GNMA 6.00%, 11/01/31	5,549	5,717	5,485
GNMA 6.00%, 01/15/32	17,198	17,612	17,085
FHLMC 6.50%, 04/01/32	12,884	12,984	13,006
FNMA 6.50%, 09/01/32	6,268	6,501	6,323
FHLMC 5.50%, 04/01/33	55,990	56,461	54,005
FNMA 5.50%, 04/01/33	46,701	46,450	45,053
FNMA 5.50%, 06/01/33	41,615	42,281	40,146

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
FNMA 6.00%, 11/01/33	45,528	46,960	44,950
FNMA 5.00%, 02/01/34	55,451	55,916	52,000
FNMA 5.00%, 07/01/34	41,360	41,142	38,786
FNMA 5.50%, 12/01/34	50,626	51,416	48,755
FNMA 5.50%, 06/01/35	59,135	58,645	56,868
FHLMC 5.00%, 08/01/35	34,019	33,507	31,795
Cit Group 7.375%, 04/02/07	10,000	10,111	10,125
Hewlett Packard Co Global 5.50%, 07/01/07	10,000	9,996	9,980
Merrill Lynch 4.00%, 11/15/07	20,000	19,993	19,636
Wachovia 3.50%, 08/15/08	10,000	9,986	9,572
Coca Cola 5.75%, 11/01/08	20,000	19,910	20,063
Comcast Cable 6.20%, 11/15/08	10,000	10,619	10,099
Washington Mut 4.00%, 01/15/09	10,000	9,862	9,603
IBM 5.40%, 01/26/09	25,000	24,473	24,967
Honda Auto Rec 2.960%, 04/20/09	35,000	34,919	34,207
Credit Suisse 4.70%, 06/01/09	10,000	10,158	9,735
Popular North Amer 4.70%, 06/30/09	5,000	4,924	4,833
Household Fin Corp 4.125%, 11/16/09	15,000	14,894	14,277
National Rural Utils 5.70%, 01/15/10	10,000	10,315	10,003
BellSouth 7.75%, 02/15/10	25,000	25,213	26,481
Target Corp 6.35%, 01/15/11	20,000	20,229	20,540
Morgan Stanley Dean Witter 6.75%, 04/15/11	15,000	15,239	15,573
Capital One 6.31%, 06/15/11	50,000	52,304	50,653
Bank Amer 6.25%, 04/15/12	20,000	21,651	20,484
Pitney Bowes 4.625%, 10/01/12	5,000	4,982	4,692
Cendant Corp 7.375%, 01/15/13	10,000	11,240	10,941
Goldman Sachs 5.25%, 04/01/13	10,000	10,115	9,622
Praxair 3.95%, 06/01/13	10,000	9,976	8,941
Wal Mart 7.25%, 06/01/13	45,000	47,809	48,696
GE Cap 4.13%, 06/15/13	25,000	24,806	23,750
American Express 4.875%, 07/15/13	15,000	14,692	14,237
OhioPwr Co 4.85%, 01/15/14	10,000	9,996	9,278
Allstate Corp 5.00%, 08/15/14	10,000	10,063	9,338
Merck & Co 4.75%, 03/01/15	15,000	15,106	13,735
Exelon Corp 4.90%, 06/15/15	10,000	9,573	9,131
Citigroup Inc. 5.30%, 01/07/16	10,000	9,973	9,524
Pharmacia Corp 6.50%, 12/1/18	5,000	5,687	5,278
Boeing Co 7.95%, 08/15/24	15,000	16,971	18,151
GTE Fla Inc 6.86%, 02/01/28	10,000	10,719	9,630
MetLife Inc 6.50%, 12/15/32	5,000	5,429	4,991

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.  
Schedule of Investments  
6/30/2006

Description	Shares or	Cost		Fair	
	Units	Basis	Value		
General Elec 7.50%, 08/21/35	20,000	21,970	23,392	1	
Ontario Hydro 6.10%, 01/30/08	15,000	15,660	15,122	1	
FHLMC 2.375%, 02/15/07	150,000	146,227	147,164	2	
U.S. T-Notes 6.125%, 08/15/07	50,000	49,500	50,467	2	
FHLMC 4.000%, 08/17/07	150,000	149,442	147,586	2	
FNMA 3.250%, 11/15/07	100,000	98,454	97,094	2	
FHLB 4.00%, 03/10/08	100,000	97,923	97,672	2	
FHLB 5.425%, 09/24/08	100,000	99,226	99,641	2	
FHLB 5.085%, 10/01/08	100,000	97,120	99,266	2	
U.S. Treasury Notes 4.75%, 11/15/08	200,000	180,750	198,273	2	
FNMA 3.250%, 02/15/09	100,000	99,399	94,750	2	
U.S. Treasury Notes 5.500%, 05/15/09	50,000	48,742	50,521	2	
FHLB 4.100%, 03/18/10	200,000	192,757	191,094	2	
FHLMC 5.15%, 1/24/11	200,000	199,085	196,224	2	
FHLMC 5.000%, 12/15/28	100,000	99,187	96,807	2	
U.S. Treasury Notes 3.52%, 11/15/06	200,000	194,281	198,750	3	
U.S. Treasury Notes 5.58%, 05/15/08	400,000	406,750	403,125	3	
U.S. Treasury Notes 5.45%, 05/15/09	350,000	358,203	353,500	3	
FHLMC 5.26%, 12/28/09	150,000	150,000	148,348	3	
Federal Home Loan Bank Step	100,000	100,000	97,218	3	
BellSouth Cap 7.75%, 02/15/10	30,000	34,811	31,778	10	
Citigroup Inc 6.00%, 02/21/12	55,000	59,466	55,596	10	
Comcast Cable 6.20%, 11/15/08	15,000	16,120	15,149	10	
GECC 3.50%, 05/01/08	100,000	98,076	96,387	10	
Lehman Bros Hldg 4.375%, 11/30/10	100,000	96,565	94,636	10	
Morgan J P& Co Inc, 6.875%, 01/15/07	85,000	93,230	85,534	10	
Morgan Stanley Co 6.75%, 04/15/11	75,000	83,018	77,867	10	

# LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
Natl Rural Util 5.70%, 01/15/10	35,000	37,314	35,010 10
Wachovia Corporation 3.50%, 08/15/08	35,000	34,559	33,500 10
Cit Group 7.375%, 04/02/07	30,000	32,202	30,374 10
Wells Fargo Finl 4.875%, 06/12/07	35,000	35,655	34,691 10
Hewlett Packard 5.50%; 07/01/07	15,000	14,970	14,970 10
Alabama Pwr Co 7.125%, 10/01/07	25,000	27,074	25,416 10
Lehman Brothers Hldg 4.00%, 01/22/08	15,000	14,816	14,608 10
Ontario Hydro 6.10%, 01/30/08	20,000	22,316	20,163 10
Coca Cola 5.75%, 11/01/08	30,000	29,807	30,094 10
Comcast Cable 6.20%, 11/15/08	20,000	22,680	20,198 10
Washington Mutual 4.00%, 01/15/09	35,000	34,380	33,612 10
International BusMachs 5.40%, 01/26/09	15,000	14,390	14,980 10
John Deere Cap 6.00%; 2/15/09	35,000	38,111	35,251 10
Credit Suisse 4.70%; 06/01/09	50,000	51,229	48,673 10
Popular North Amer Inc 4.70%, 06/30/09	10,000	9,823	9,665 10
Ford Cr Auto Owner 4.38%, 01/15/10	23,000	22,831	22,510 10
Household Fin Corp 4.125%, 11/16/09	25,000	24,752	23,794 10
National Rural Utils 5.70%, 01/15/10	15,000	16,233	15,005 10
BellSouth Cap 7.75%, 02/15/10	25,000	27,529	26,481 10
Intl Lease Fin Corp 5.00%, 04/15/10	15,000	15,206	14,567 10
Beur Stearns Cos Inc 4.55%, 06/23/10	20,000	19,767	19,181 10
MBNA Cr Card 4.20%, 09/15/10	45,000	45,105	44,001 10
Citibank Cr Card 5.875%, 03/10/11	110,000	119,522	110,858 10
McDonalds Corp 6.00%, 04/15/11	25,000	26,134	25,251 10
Morgan Stanley Co 6.75%, 04/15/11	15,000	15,415	15,573 10
Capital One Master 6.31%, 06/15/11	30,000	30,984	30,392 10
EOP Oper Ltd Partnership 6.75%, 02/15/12	15,000	16,270	15,477 10
Bank Amer Corp 6.25%, 04/15/12	30,000	33,365	30,726 10
SBC Communications 5.875%, 08/15/12	20,000	21,331	19,782 10
Primey Bowes Inc 4.625%, 10/01/12	15,000	14,918	14,076 10
MBNA Cr Card Master 4.10%, 10/15/12	25,000	24,641	23,765 10
Cendant Corp 7.375%, 01/15/13	10,000	11,402	10,941 10
Goldman Sachs Group 5.25%, 04/01/13	55,000	55,766	52,920 10



LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
Deutsche Telekom 5.25%, 07/22/13	15,000	14,311	14,091
Ohio Pwr Co 4.85%, 01/15/14	20,000	19,984	18,556
Allstate Corp 5.00%, 08/15/14	25,000	24,808	23,345
SLM Corp 5.05%, 11/14/14	25,000	24,824	23,276
Merck & Co Inc 4.75%, 03/01/15	25,000	24,088	22,892
Exelon Corp 4.90%, 06/15/15	25,000	23,892	22,828
Citigroup Inc 5.30%, 01/07/16	35,000	34,896	33,337
Home Depot Inc 5.40%, 03/01/16	20,000	19,179	19,172
Pharmacia Corp 6.50%, 12/01/18	30,000	34,850	31,673
Wal-Mart Stores 6.75%, 10/15/23	35,000	40,102	37,095
Boeing Co 7.95%, 08/15/24	20,000	22,942	24,201
CTE Fia Inc 6.86%, 02/01/28	65,000	69,960	62,600
Melife Inc 6.50%, 12/15/32	20,000	21,753	19,964
Southern Calif Gas 5.75%, 11/15/35	20,000	19,204	18,791
General Elec 7.50%, 08/21/35	35,000	39,678	40,936
U.S. Treasury Bond 7.25%, 05/15/16	120,000	146,100	138,938
FHLB Calla 3.35%, 09/14/07	250,000	250,000	243,828
FNMA 4.00%, 09/20/07	100,000	100,000	98,250
FNMA Step 4.00%, 05/27/09	200,000	200,000	196,938
FHLMC Step 4.000%, 07/29/09	200,000	200,000	198,519
FHLB 5.500%, 09/15/09	150,000	150,000	148,969
FHLMC 5.20%, 12/28/09	150,000	150,000	148,348
FHLB Step 4.00%, 03/16/10	150,000	150,000	147,094
FNMA 5.00%, 08/24/10	200,000	200,000	195,375
FHLMC Multiclass 6.00%, 06/15/11	31,607	32,555	32,762
FHLB Step 3.50%, 01/27/12	250,000	250,000	245,547
FNMA Calla 5.00%, 02/27/13	150,000	150,000	144,187
FHLMC Gold 7.50%, 09/01/15	7,732	8,041	8,052
FNMA Pool #553600 7.00%, 10/10/15	11,227	11,592	11,517
FHLMC Gold E81611 7.50%, 11/01/15	15,720	16,388	16,371
FHLMCPool #C4-2335 7.50%, 09/01/30	3,396	3,566	3,516
FNMA 3.125%, 07/15/06	50,000	49,982	49,961
FHLB 3.500%, 08/15/06	200,000	199,407	199,562

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

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Description	Shares or	Cost	Fair	
	Units	Basis	Value	
U.S.T-Note 3.500%, 11/15/06	200,000	198,523	198,789	10
FNMA 2.375%, 02/15/07	150,000	146,160	147,164	10
FHLMC 4.000%, 08/17/07	100,000	99,628	98,390	10
FHLMC 3.50%, 09/15/07	200,000	199,182	195,563	10
FNMA 4.250%, 09/15/07	150,000	149,403	147,844	10
U.S.T-Note 3.750%, 05/15/08	100,000	99,164	97,504	10
FHLB 3.000%, 05/28/08	150,000	143,649	143,438	10
U.S. T-Notes 4.75%, 11/15/08	150,000	158,297	148,704	10
FNMA 3.875%, 02/15/10	100,000	99,376	94,922	10
FHLB 4.375%, 03/17/10	100,000	99,790	96,578	10
FHLB 4.400%, 03/24/11	100,000	96,752	95,391	10
FHLMC 6.000%, 08/15/13	926	948	925	10
FHLMC #E00926 6.50%, 10/01/15	9,310	9,871	9,420	10
FNCI #357328 5.00%, 01/01/18	103,257	108,160	99,674	10
FHLMC CMO 5.000%, 12/15/28	100,000	99,188	96,807	10
United States Treas 6.50%, 10/15/06	85,000	93,638	85,279	10
United States Treas 4.75%, 11/15/08	155,000	165,514	153,613	10
United States Treas 3.625%, 07/15/09	15,000	14,766	14,374	10
United States Treas 5.75%, 08/15/10	105,000	112,214	107,580	10
United States Treas 4.125%, 08/15/10	30,000	29,750	28,924	10
United States Treas 4.25%, 08/15/13	160,000	162,412	151,800	10
United States Treas 7.25%, 05/15/16	145,000	175,189	167,894	10
United States Treas 6.25%, 08/15/23	65,000	70,571	71,687	10
United States Treas 6.125%, 11/15/27	90,000	103,281	99,442	10
FNMA 6.00%, 05/15/08	130,000	134,911	131,178	10
FNMA 6.00%, 11/25/08	100,000	101,609	100,069	10
FHLMC 6.50%, 12/15/08	26,775	28,222	26,844	10
FHLMC 5.50%, 10/15/09	50,096	52,695	49,952	10
FHLB 5.875%, 02/15/11	75,000	76,193	75,914	10
FNMA 5.50%, 03/15/11	90,000	92,738	90,057	10

# LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
FNMA 4.625%, 10/15/13	40,000	40,505	37,900
FHLB 5.022%, 12/21/15	25,000	24,257	24,016
FHLMC 6.50%, 08/01/16	21,471	21,872	21,730
FHLMC 6.00%, 08/15/16	29,774	30,295	29,937
FNMA 6.00%, 04/25/17	15,000	15,263	15,047
FHLMC 4.50%, 05/15/18	60,000	56,625	54,977
FNMA 4.50%, 09/01/18	69,393	70,000	65,742
FHLMC 4.50%, 01/01/19	68,723	69,282	65,001
FHLMC 5.00%, 01/15/19	50,000	49,891	47,354
FHLMC 5.00%, 05/01/19	105,692	105,467	101,875
FNMA 5.00%, 10/01/19	97,083	97,250	93,645
FHLMC 5.05%, 03/15/22	100,000	97,875	99,339
FHLMC 6.10%, 10/15/23	20,669	21,870	20,644
GNMA 7.00%, 06/15/28	9,425	9,608	9,724
FNMA 6.00%, 11/01/29	121,854	125,147	120,528
GNMA 7.00%, 01/15/30	12,236	12,549	12,627
FHLMC 5.25%, 05/15/30	15,000	14,344	14,347
GNMA 7.00%, 03/15/31	26,736	28,212	27,584
GNMA 6.00%, 01/15/32	34,396	35,395	34,171
FNMA 5.50%, 06/01/33	227,281	231,542	219,258
FNMA 5.00%, 08/01/33	82,565	82,901	77,553
FNMA 5.00%, 10/01/33	78,480	78,419	73,716
FNMA 6.00%, 11/01/33	60,014	62,237	59,253
FNMA 5.00%, 07/01/34	44,541	44,277	41,769
FHLMC 5.50%, 12/01/34	96,403	98,331	92,839
FNMA 5.50%, 12/01/34	68,724	68,413	66,185
FNMA 5.50%, 12/01/34	65,091	66,220	62,686
FNMA 5.50%, 06/01/35	122,819	121,744	118,111
FHLMC 5.00%, 08/01/35	72,898	71,725	68,132
FHLMC 4.25%, 11/15/10	25,000	25,000	23,762
FHLMC 3.250%, 04/15/11	25,000	23,831	23,845
FHLMC 4.00%, 09/17/12	25,000	24,331	23,955
		13,968,121	13,612,542

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
<b>Common stocks</b>			
AT & T Inc	805	25,674	22,451
Abbott Labs	820	34,798	35,760
Aetna Inc.	565	24,784	22,560
Altera Corp	1020	19,679	17,901
Altria Group Inc	1005	58,810	73,797
Aurbac Fint Group	235	18,169	19,059
American Express Co	615	32,599	32,730
American Intl Group Inc.	400	26,725	23,620
Amgen, Inc.	910	61,937	59,359
Apache Corp	300	21,306	20,475
Apartment Inv't & Mgmt Co	365	15,545	15,859
Apple Computer Inc.	155	9,309	8,877
Bank America Corp.	1,592	70,529	76,575
Bank New York Inc	485	16,925	15,617
BellSouth Corp	315	10,890	11,403
Berkshire Hathaway Inc.	5	14,844	15,215
Boston Scientific Corp	800	20,035	13,472
Broadcom Corp	120	5,355	3,640
CBS Corp	615	19,969	16,636
Cit Group Inc	315	11,837	16,471
CVS Corp	470	9,955	14,429
Caterpillar Inc	265	10,696	19,737
Chevron Corp	515	31,315	31,961
Cisco Sys., Inc.	2230	48,721	43,552
Citigroup, Inc.	2320	109,141	111,940
Coach Inc	315	9,894	9,419
Coca-Cola Co	840	34,197	36,137
Comcast Corp	940	26,976	30,776
ConocoPhillips	495	27,510	32,437
Corning Inc	2,185	39,204	52,855
Danaher Corp.	380	21,829	24,442

## LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

## Schedule of Investments

6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
Deere & Co	125	9,335	10,436
Dell Inc	455	15,117	11,129
Duke Energy	660	19,167	19,384
EOG Res Inc	255	16,315	17,682
EBAY Inc	730	26,807	21,382
Edison Intl	685	29,135	26,715
Embarq Corp	73	3,449	2,992
Exxon Mobil Corp.	1,390	65,262	85,277
Federal Home Lg Mtg Corp	510	31,719	29,075
Gannett Inc	520	35,505	29,084
General Electric Company	4,290	158,634	141,398
Genworth Finl Inc	790	25,875	27,524
Goldman Sachs Group Inc	110	11,845	16,547
Google Inc	35	13,975	14,677
Halliburton Co.	275	18,057	20,408
Hartford Finl Svcs Group Inc	360	28,451	30,456
Hewlett Packard Co	755	16,871	23,918
Hilton Hotels Corp	350	7,310	9,898
Honeywell Intl Inc	380	15,734	15,314
Host Hotels & Resorts Inc	333	6,812	7,283
International Business Machines Corp.	235	21,154	18,053
Johnson & Johnson	765	44,917	45,839
Johnson Cds Inc	800	46,258	65,776
Juniper Networks Inc	470	10,205	7,515
Kellogg Co.	715	32,304	34,627
KLAT-Tencor Corp	305	12,912	12,679
Kohls Corp	605	29,780	35,768
Lilly, Eli & Co	300	17,506	16,581
Linear Technology Corp	980	35,079	32,820
Marathon Oil Corp	120	9,562	9,996
Marshall & Ilsley Corp	275	11,981	12,579
Medco Health Solutions Inc	335	17,156	19,189
Medtronic Inc.	315	16,755	14,780

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
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Description	Shares or	Cost	Fair
	Units	Basis	Value
Merck & Co., Inc.	555	18,825	20,219
Microsoft Corp.	2,545	66,046	59,299
Monsanto Co.	75	6,432	6,314
Morgan Stanley	685	30,159	43,299
Motorola Inc	750	11,609	15,113
National Oilwell Varco Inc	100	5,918	6,332
Norfolk Southm Corp	1,640	72,083	87,281
North Fork Bancorporation Inc	217	5,147	6,547
Northeast Utils	1,325	25,815	27,388
Oracle Corp.	2,470	29,864	35,790
Pepsico Inc	455	26,822	27,318
Pfizer Inc.	1,377	37,269	32,318
Praxair Inc	1,330	62,733	71,820
Procter & Gamble Company	958	51,816	53,265
Qualcomm Inc	1,050	40,203	42,074
Schering Plough Corp	855	16,575	16,271
Sepracor Inc	220	11,118	12,571
Sprint Nextel Corp	1,475	33,918	29,485
Staples Inc	2,882	62,928	70,177
Starwood Hotels & Resorts	210	10,559	12,671
Sun Microsystems Inc	3,430	15,492	14,235
Sysco Corp	1,530	50,210	46,757
TYX Cos Inc	725	18,224	16,574
Texas Instrs Inc	155	4,838	4,695
Time Warner Inc	535	10,221	9,256
Trionox Inc	19	322	250
US Bancorp	690	19,914	21,307
United Sts Stl Corp	480	31,702	33,658
United Technologies Corp	610	29,237	38,686
UnitedHealth Group Inc	380	20,615	17,016
Valero Energy Corp	445	24,524	29,601
Verizon Communications	1375	49,984	46,049
Viacom Inc	1285	57,534	46,054

## LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

## Schedule of Investments

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Description	Shares or		Cost	Fair
	Units	Basis	Value	
Wachovia Corp	165	8,541	8,923	1
Waste Mgmt Inc	175	5,952	6,279	1
Wells Fargo & Co	970	53,785	65,068	1
Wyeth	950	41,595	42,189	1
Xcel Energy Inc	1320	25,601	25,317	1
Yahoo Inc	355	11,245	11,715	1
Renaissance Hldgs Ltd	1,130	53,632	54,759	1
Willis Group Hldgs Ltd	365	12,864	11,716	1
Nokia Corp	540	9,477	10,940	1
Schlumberger Ltd	1,150	63,701	74,876	1
Tyco Intl Ltd	585	18,389	16,087	1
Globalstar Inc	550	26,164	31,763	2
Ingersoll-Rand Company Ltd	800	22,850	34,224	2
AFLAC Inc	450	11,813	20,858	2
About Laboratories	700	28,431	30,527	2
Altria Group Inc	450	24,350	33,044	2
American Express Co	450	21,250	23,949	2
American International Group, Inc.	350	21,527	20,668	2
Ameriprise Finl Inc	390	15,540	17,421	2
Applied Mats Inc	2,400	47,309	39,072	2
BJ Svcs Co	600	14,835	22,356	2
Bank Amer Corp	600	22,770	28,860	2
CVS Corporation	1,500	26,950	46,050	2
Caremark RX Inc	300	14,852	14,961	2
Caterpillar Inc	500	17,910	37,240	2
Cisco Systems, Inc.	1,000	18,269	19,530	2
Citigroup, Inc.	800	27,548	38,600	2
Conoco/Phillips	1,000	32,134	65,530	2
Duke Energy Corp	1,250	30,825	36,713	2
Emerson Electric Co	200	12,765	16,762	2
Exelon Corp	550	31,433	31,257	2
Exxon Mobil Corp.	865	41,825	53,068	2
Fedex Corp	150	10,958	17,529	2

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.  
Schedule of Investments  
6/30/2006

Description	Shares or		Cost	Fair
	Units	Basis		Value
First Data Corp	700	30,877	31,528	2
Franklin Res Inc	300	21,763	26,043	2
General Electric Company	1,340	38,096	44,166	2
General Mills, Inc.	350	16,061	18,081	2
Goldman Sachs Group Inc	150	16,047	22,565	2
Hewlett Packard Co	550	12,533	17,424	2
Intel Corp.	1,640	32,104	31,160	2
Johnson & Johnson	550	25,787	32,956	2
Lilly Eli & Co	450	28,203	24,871	2
Lowes Cos Inc	700	25,546	42,469	2
Marathon Oil Corp	200	14,498	16,660	2
Medtronic Inc	500	23,705	23,460	2
Microsoft Corp.	1,400	45,138	32,620	2
Motorola Inc	850	13,016	17,127	2
Newmont Mining Corp	700	32,375	37,051	2
Nokia Corp	850	15,785	17,221	2
Northrop Grumman Corp	300	17,376	19,218	2
Pepsico Inc.	600	27,384	36,024	2
Pfizer Inc	720	22,153	16,898	2
Phelps Dodge Corp	600	15,164	49,296	2
Procter & Gamble Co	700	35,003	38,920	2
Prudential Finl Inc	200	15,130	15,540	2
Qualcomm Inc.	350	17,083	14,024	2
Quest Diagnostics Inc	200	11,474	11,984	2
Smith Intl Inc	1,200	15,339	53,364	2
Staples Inc	650	15,275	15,827	2
Target Corp	600	30,876	29,322	2
Texas Instruments Inc	650	10,738	19,688	2
V F Corp	550	30,574	37,356	2
Valero Refng & Mktg Co	250	14,338	16,630	2
Verizon Communications	400	15,528	13,396	2
Vulcan Materials Co	150	11,263	11,700	2
Wachovia Corp	300	16,392	16,224	2



LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or	Cost	Fair
	Units	Basis	Value
Wells Fargo & Co	500	21,820	33,540
Wyeth	350	11,900	15,543
Abbott Laboratories	620	25,015	27,038
AFLAC Inc.	700	28,826	32,445
Amazon Com Inc	1,130	41,829	43,708
American International Group, Inc.	1,210	73,531	71,451
Amgen, Inc.	730	46,032	47,618
Boeing Co	500	28,938	40,955
Chevron Texaco Corp	540	28,871	33,512
Cisco Systems Inc	1,440	28,751	28,123
Citigroup Inc	1,590	51,873	76,718
Comcast Corp	3,120	93,947	102,149
Conoco Phillips	780	21,790	51,113
Ebay Incorporated	1,550	57,035	45,400
Exxon Mobil Corp	930	57,442	57,056
General Electric Company	2,110	63,387	69,546
HCA-Healthcare Company	1,160	52,695	50,054
Johnson & Johnson	810	39,432	48,535
JP Morgan Chase & Co	780	28,994	32,760
Juniper Networks Inc	3,790	76,675	60,602
Level 3 Comm	15,070	28,232	66,911
Liberty Media Corp	1037	80,370	86,869
Medtronic Inc.	700	33,483	32,844
Microsoft Corp.	2,970	71,207	69,201
Mitsubishi UFJ Finl Group	2,520	36,392	35,154
Pepsico Inc	330	12,421	19,813
Pfizer, Inc.	4,840	139,509	113,595
Procter & Gamble Co	770	43,761	42,812
Yum Brands Inc	820	30,749	41,221
ADR Sanofi-Aventis Spons	1,500	60,948	73,050
America Movil-Series L	950	28,528	31,597
Ericsson Telephone Co Adr	850	28,862	28,084
Nestle S.A. ADR	400	28,653	31,347

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

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Description	Shares or	Cost	Fair
	Units	Basis	Value
Nokia Corp	4310	57,139	87,320
Fidelity Convertible Sec Fd #308	6003.274	101,070	143,658
Abbott Labs	540	25,129	23,549
AFLAC Inc	1,490	61,345	69,062
Amazon Com Inc	2,640	107,195	102,115
American International Group Inc	1,950	125,171	115,148
Amgen Inc	760	48,586	49,575
Boeing Co	890	51,502	72,900
Chesapeake Energy Corp	2,000	64,249	60,500
Chevron Texaco Corp	970	52,480	60,198
Cisco Sys Inc	2,590	51,705	50,583
Citigroup Inc	2,860	135,658	137,995
Comcast Corporation	5,640	165,436	184,654
Dow Chemical Co	1,200	61,629	46,836
Ebay Incorporated	2,750	100,239	80,548
Exxon Mobil Corp	1,670	103,343	102,455
General Elec Co	3,670	114,049	120,963
HCA-Healthcare Company	2,080	94,117	89,752
Johnson & Johnson	1,220	66,438	73,102
JP Morgan Chase & Co	2,420	89,936	101,640
Juniper Networks Inc	6,370	130,452	101,856
Level 3	33,450	85,760	148,518
Liberty Media Corp	1,590	124,389	133,194
Medtronic Inc	1,880	94,996	88,210
Microsoft Corp	6,690	174,247	155,877
Mitsubishi UFJ Fial	4,520	65,267	63,054
Pepsico Inc	1,620	87,919	97,265
Pfizer Inc	8,720	247,209	204,658
Procter & Gamble Co	1,380	78,983	76,728
Yum Brands Inc	1,470	57,126	73,896
ADR Sanofi-Aventis Spons	2,260	91,993	110,062
America Movil-Series L	1,720	51,645	57,207
Ericsson Telephone Co Adr	2,360	78,434	77,974

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
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Description	Shares or	Cost	Fair
	Units	Basis	Value
Nestle S.A. ADR	1,000	71,619	78,367
Nokia Corp	7,200	102,128	145,872
Global SantaFe Corp	1,800	50,238	103,950
Ingersoll-Rand Company	1,600	53,012	68,448
Abbott Laboratories	1,200	49,774	52,332
Altria Group Inc	500	27,680	36,715
American Express Co	1,000	43,171	53,220
American Intl Group Inc	900	64,772	53,145
Ameriprise Fintl Inc	800	31,176	35,736
Applied Maths Inc	4,100	80,213	66,748
BJ Svcs Co	1,000	24,980	37,260
Bank Amer Corp	2,000	81,062	96,200
Barick Gold Corp	1,150	25,887	32,430
CVS Corporation	2,600	50,674	79,820
Caremark Rx Inc	650	32,180	32,416
Caterpillar Inc	650	43,570	48,412
Cisco Sys Inc	2,300	51,657	44,919
Citigroup Inc	1,600	77,856	77,200
Conoco/Phillips	1,400	51,772	91,742
Duke Energy Corp	2,000	49,320	58,740
Emerson Electric Co	800	49,336	67,048
Exelon Corp	900	51,516	51,147
Exxon Mobil Corp	1,450	67,660	88,958
Fedex Corp	350	25,718	40,901
First Data Corp	1,400	61,377	63,056
Franklin Res Inc	350	19,387	30,384
General Elec Co	2,600	79,915	85,696
General Mills	1,100	52,932	56,826
Goldman Sachs Group Inc	500	57,543	75,215
Hewlett Packard Co	1,500	31,304	47,520
Home Depot Inc	700	25,298	25,053
Intel Corp	3,000	80,540	57,000
Johnson & Johnson	1,000	54,168	59,920

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

Schedule of Investments  
6/30/2006

Description	Shares or		Cost	Fair	
	Units	Basis	Value		
Lilly Eli & Co	900	64,110	49,743	10	
Lowes Cos Inc	500	26,540	30,335	10	
Marathon Oil Corp	600	43,692	49,980	10	
Medtronic Inc	1,000	49,739	46,920	10	
Microsoft Corp	2,800	77,634	65,240	10	
Motorola Inc	1,450	22,205	29,217	10	
Newmont Mining Corp	700	26,698	37,051	10	
Nike Inc	700	51,604	56,700	10	
Nokia Corp	1,700	31,569	34,442	10	
Northrop Grumman Corp	600	29,718	38,436	10	
Pepsico Inc	1,250	68,452	75,050	10	
Pfizer Inc	2,200	78,672	51,634	10	
Phelps Dodge Corp	800	26,740	65,728	10	
Procter & Gamble Co	1,300	70,220	72,280	10	
Prudential Finl Inc	400	30,260	31,080	10	
Qualcomm Inc	650	31,727	26,045	10	
Quest Diagnostics Inc	500	28,736	29,960	10	
Schering-Plough Corp	1,450	28,986	27,593	10	
Smith Intl Inc	1,800	51,596	80,046	10	
Staples Inc	1,400	32,900	34,090	10	
Target Corp	1,000	51,460	48,870	10	
Texas Instruments Inc	1,800	53,378	54,522	10	
V F Corp	900	50,270	61,128	10	
Valero Refng & Marketing Co	500	28,660	33,260	10	
Verizon Communications	650	25,233	21,768	10	
Vulcan Materials Co	800	60,166	62,400	10	
Wachovia Corp	600	30,636	32,448	10	
Wells Fargo & Co	900	50,859	60,372	10	
Community Trust Bank	442	0	17,450	17	
		<u>11,737,102</u>	<u>12,841,897</u>		

# LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

## Schedule of Investments 6/30/2006

Description	Shares or	Cost	Fair
	Units	Base	Value

### Real Estate:

711, 801, 802, 803 W. Mississippi, Ruston, LA	310,333		310,333
101, 103 Everett Street, Ruston, LA	91,058		91,058
105, 107 Everett Street, 703 W. Mississippi, Ruston, LA	403,077		403,077
906 California Street, Ruston, LA	65,739		65,739
109 Everett Street, Ruston, LA	40,762		40,762
102 Everett Street, Ruston, LA	106,989		106,989
703 W. Mississippi, Ruston, LA	144,531		144,531
Railroad bed-California Avenue, Ruston, LA	240,123		240,123
Block 36-TKE House, Ruston, LA	222,474		222,474
Beasley Property, Stubbs Addition	1,150,000		1,150,000
406 Arizona Street, Ruston, LA	139,156		139,156
707 W. Mississippi Avenue, Ruston, LA	145,047		145,047
807 W. Mississippi Avenue, Ruston, LA	132,347		132,347
Land-Lincoln Parish			98,733
Total Real Estate	3,191,636		3,290,363

Total of Investments	\$ 43,508,984	\$ 45,446,821
Accrued interest included in restricted investments	65,362	65,362
Grand total of investments	<u>43,574,346</u>	<u>45,512,183</u>

Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance With Government Auditing Standards

# HEARD McELROY & VESTAL

LLP  
CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET  
15TH FLOOR  
SHREVEPORT, LA 71101  
318 429-1525  
318 429-2070 FAX  
POST OFFICE BOX 1607  
SHREVEPORT, LA  
71165-1607

PARTNERS  
SPENCER BERNARD, JR., CPA  
H.Q. GALLAGHAN, JR., CPA, APC  
GERALD W. HEDGCOCK, JR., CPA, APC  
TIM B. NIELSEN, CPA, APC  
JOHN W. DEAN, CPA, APC  
MARK D. ELDREDGE, CPA  
ROBERT L. DEAN, CPA  
STEPHEN W. CRAIG, CPA

ROY E. PRESTWOOD, CPA  
A. D. JOHNSON, JR., CPA  
RON W. STEWART, CPA, APC  
BENJAMIN C. WOODS, CPA/ABV, CVA  
  
OF COUNSEL  
GILBERT R. SHANLEY, JR., CPA  
C. CODY WHITE, JR., CPA, APC  
J. PETER GAFFNEY, CPA, APC

August 3, 2006

The Board of Directors  
Louisiana Tech University Foundation, Inc.  
Ruston, Louisiana

Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the Louisiana Tech Foundation, Inc. (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 3, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Tech University Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Foundation are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

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A PROFESSIONAL SERVICES FIRM  
SHREVEPORT • BOSSIER CITY  
WEST MONROE

hmv@hmvcpa.com E-MAIL  
www.hmvcpa.com WEB ADDRESS

*Heard, McElroy & Vestal, LLP*

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2006

**I. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Louisiana Tech University Foundation, Inc.
2. No reportable condition relating to the audit of the financial statements was reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Louisiana Tech University Foundation, Inc. was not subject to a federal single audit for the year ended June 30, 2006.



LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2006

No matters were noted in the prior year.